

**City of Reading
City Council
Work Session
Tuesday, January 17, 2009**

Councilors Attending: V. Spencer, S. Fuhs, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, M. Baez, J. Waltman

Others Attending: L. Kelleher, C. Younger, C. Jones, D. Hoag, E. Weiss, J. Kromer, Hill Consulting Group, B. Reinhart, R. Gery

Mr. Spencer called the work session to order at 7:10 p.m.

Managing Director's Report

Mr. Hottenstein highlighted the report distributed at the Work Session such as:

- Centre Park Community Meeting on February 19th at 7 p.m. at the Historical Society
- CAP (Customer Assistance Program) which can assist residential customers with electric and heating bills

Housing Study

Mr. Spencer introduced Eric Weiss and John Kromer, retained to study the City's housing issues. Mr. Hottenstein stated that this team was asked to study Codes services and suggest improvements to the various housing programs.

Mr. Kromer, from the FELS Institute, stated that he has provided assistance to many communities with neighborhood issues. He stated that he was the Director of Codes Services when Governor Rendell was Mayor of Philadelphia.

Mr. Weiss stated that he retired from Allentown, as Director of Codes Services for 35 years, where he developed a successful process to handle Allentown's rental properties.

Mr. Weiss highlighted the recommendations that he and Mr. Kromer made to the Codes Office, as follows:

- refocus and catch up on properties that are unfit for rehabilitation and need to be demolished
- reorganization of codes personnel

- development of a 5 year inspection cycle for rental inspections
- correct the backlog in the housing permit process by deferring the requirement for property inspections and the need for a business license for those properties that applied for 2007 permits
- implement a rental registration fee in addition to the housing permit fee
- require that all units in a building be listed on the housing permit, to be hung in the common area of the building
- develop a ticketing process for common quality of life violations like litter, trash set out, high grass, etc.

Mr. Reinhart distributed a handout providing an update on the current housing permit process.

Mr. Spencer questioned the number of rental properties needing inspections. Mr. Reinhart stated that approximately 250 properties are waiting for an inspection. Mr. Kromer suggested adding temporary zoning staff to assist with the processing of the approximate 2000 properties awaiting a zoning permit. He noted that the salaries of temporary zoning personnel can be covered through the zoning permit fees.

Mr. Sterner thanked Mr. Weiss and Mr. Kromer for their recommendations and noted the need for more information on the fire escrow process. He stated that two properties in the 600 block of Locust Street were involved in a fire over five years ago, posted for demolition in 2005 and 2007 and are still standing in severely blighted condition. He noted receiving complaints from neighboring properties. He inquired how fire escrow money is used to demolish these properties

Ms. Kelleher inquired if the City can attach to the personal assets of the owners of rental properties. Mr. Weiss suggested exploring this further with legal staff.

Mr. Waltman noted the need to continue to place legal pressure on problem rental properties. He noted his agreement with the ticketing process for common quality of life violations. He inquired if the City can require property insurance on all residential properties at the settlement table. Mr. Weiss suggested exploring this further with legal staff and with the State Legislators.

Ms. Goodman-Hinnershitz requested quarterly updates on the implementation of the recommendations.

Ms. Goodman-Hinnershitz and Mr. Waltman noted the need to educate tenants and rental property owners on the new process. Mr. Weiss described the need for Codes to develop a property master file that contains all information about the property.

Waste Water Treatment Plant Project

Tony Vasay, of the Hill Consulting Group, explained the work completed to date to review the design of the Waste Water Treatment Plant. He stated that the Consulting team has completed the following:

- Review of project management
- Exploration of grant funding
- Analysis of project financing

Mr. Vasay stated that the group will next lock down the design of the plant so final cost estimates can be developed. He noted that the H2O Grant application has been submitted to the State. He added that they may consider applying for a PennVest loan. He stated that PennVest has a cap of \$20,000 per project per municipality. Ms. Kelleher stated that PennVest regulations allow municipalities that provide regional service to obtain additional funding. She added that State representatives committed to funding beyond the cap.

Mr. Vasay stated that the group has also studied revenue data over the past years to determine the rate impacts for the users and verify the historical payments made since the implementation of the inter-municipal agreements in 1986. He stated that a proforma model will be developed after the review and the establishment of best practices. He added that the group is also working to sync the grants and loans to reduce the impacts to the users.

Mr. Fuhs expressed concern for the impact the tunnel project will have on the 18th Ward area. He inquired how the team (Consultants and City staff) will educate the users, especially those residing in the 18th Ward. Mr. Vasay explained that the pipes will be installed 104-125 feet underground; therefore, the tunnel will not affect residential properties. He also explained that educational outreach is not planned.

Mr. Fuhs inquired how City Council can be expected to reach a decision on Monday without additional information on the impact the tunnel will have on residential properties in the 18th Ward. Mr. Spencer stated that the Public Works Department needs Council's direction to allow the project to move forward. Mr.

Waltman agreed with Mr. Fuhs, noting that Council needs to know the total cost to the user, as the project must be balanced between cost and quality.

Mr. Caltagirone, of Hazel Street, described the many multiyear problems residents of the 300 and 400 blocks of Hazel Street have had with street cave-ins over the past 20-30 years. He noted the repeated attempts by the City to correct these issues.

Mr. Spencer and Fuhs noted the need for additional testing to determine if this approach will have an affect.

There was a discussion on the cost of the project. There was also discussion on the use of the tunnel approach versus the 6th and Canal Pumping Station. Mr. Jones stated that the tunnel and 6th and Canal Pumping Station are not included in the Consent Decree project. However, decisions on this issue are needed on Monday as they will have an affect on the design of the plant. He noted that 80% of the City's sewage comes through the 6th and Canal Pumping Station.

Storm Water Utility

Mr. Jones explained that Reading is the first Pennsylvania city studying the Storm Water Utility issue. He noted that a few Pennsylvania municipalities have started this program. He explained that this model is based on the amount of impervious cover a property has and the run-off of rainwater. He stated that the fees associated with this program can be used to support the storm water program such as street sweeping, catch basin repair and cleaning, etc. He noted the monumental cost to repair the collapsed storm water system. The last collapse in 2006 cost \$302,000.

Mr. Jones stated that this award of contract will allow the next analysis phase that will determine the cost per property.

Ms. Goodman-Hinnershitz inquired if the utility fee would be charged to non-profits. Mr. Jones stated that as this is a fee not a tax and non-profits will be charged under the program. They will be charged the same as other properties. He also explained that a property owner can undertake green projects to obtain credits under this program. As an example, he noted the green roof on the Millmont Magnet School and the green building planned by the Berks County Community Foundation.

Mr. Waltman expressed the belief that the City has too many broken systems to add a new program.

Mr. Spencer stated that he has participated in the review of the RFP process for this award of contract. He stated that he is satisfied with the process used. Mr. Jones stated that the consultant fee will be paid by the Sewer Enterprise Fund and then reimbursed by the Storm Water Utility after the program begins generating revenue.

Mr. Waltman again noted that currently the city has too many broken, moving systems. He inquired how IT will deal with this billing when they cannot cure the problems with RAWA billing. Mr. Hottenstein stated that IT handles other billing areas like property taxes, without problems.

Mr. Marmarou requested a sample of the average charge per property. Mr. Jones stated that the charge per property depends on the model selected. He again noted the ability of the property owner to complete green projects to earn credits that will reduce the charge.

Mr. Waltman again inquired how the City can begin an additional program when the City has so much difficulty managing many of the existing programs, such as the housing permit process. He suggested concentrating on fixing the current breakdowns before adding new programs.

Mr. Jones noted the difficulty the Public Works Department has covering the costs of their many programs. He stated that this fee would cover the cost of the Storm Water Program. He again noted that this award of contract will only allow analysis of the program. The Administration and Council can then decide if the program is a good fit after reviewing the information provided through the analysis.

Ms. Hoag explained the DEP has divided municipalities into two storm water phases. Allentown and Philadelphia are the only Phase I cities. Reading has fallen in the Phase II area. She noted that the PaDEP, will at some time in the near future, will begin requiring the testing of storm water. She noted the PaDEP's growing concern with the quality of storm water as it affects the ecology of rivers and streams. She stated that the DEP is already requiring storm water discharge permits that last for six year periods of time.

Mr. Waltman again questioned the City's ability to successfully implement this program at a time when they cannot complete one years worth of the housing permit process within a two year period.

Mr. Hottenstein distributed copies of the 2009 budget approved by Council and a copy of the amendments the administration is requesting. He also gave Ms. Kelleher a copy of the Maximus report, noting that the zoning area is not yet included. He suggested that as this report is so voluminous that Council review the copy left with Ms. Kelleher. He also requested that he and Ms. Kelleher work together to identify the fees that will be adjusted.

As no further business was brought forward the Work Session was adjourned at approximately 9:45 p.m.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP ISSUES

- Monthly update on implementation of the recommendations from Mr. Weiss and Kromer
- Report - Fire Escrow program
- Report on process used by Zoning for the Housing Permit process
- Report on City's ability to require property insurance for all residential and commercial properties
- Report on City's ability to attach to the personal assets of non-owner occupied properties
- Legislation to amend the 2009 budget
- Legislation to increase/decrease fines and fees as recommended by Maximus
- Report on further testing for the tunneling project